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Item 4 of the provisional agenda**
OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION

United Nations system common premises and services in the field

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly and the Economic and Social Council the comments of the Administrative Committee on Coordination on the report of the Joint Inspection Unit entitled "United Nations system common premises and services in the field" (A/49/629, see also E/1996/43).

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* A/51/50.

** E/1996/100, to be issued.

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ANNEX

Comments of the Administrative Committee on Coordination

I. BACKGROUND

1. The subject of common premises and services in the field was addressed by the General Assembly on a number of occasions, notably in its resolutions 44/211 of 22 December 1989, 46/219 of 20 December 1991, 47/199 of 22 December 1992 and 48/209 of 21 December 1993. Most recently, in preparation for the 1995 triennial comprehensive policy review of operational activities for development of the United Nations system, the Secretary-General recommended:

> "Building on previous resolutions the General Assembly might recommend that United Nations system organizations should normally be housed in common premises at the country level, wherever economically feasible. It might further recommend that every effort should be made to institute shared services in the field". (A/50/202, para. 105)

2. In its resolution 50/120 of 20 December 1995, the General Assembly requested the Joint Consultative Group on Policies (JCGP) and, to the maximum extent possible, the specialized agencies, to raise substantially the target for achieving common premises on the basis of cost-benefit analysis and avoiding an increased burden on host countries. The Secretary-General will report in the first instance to the Economic and Social Council at its 1996 substantive session on steps being taken to implement the request.

II. GENERAL COMMENTS

3. The report of the Joint Inspection Unit (JIU) entitled "United Nations system common premises and services in the field" (A/49/629) deals with an important subject that has been kept under continuous review within the United Nations system, its member organizations, their governing bodies as well as inter-agency mechanisms including the Consultative Committee on Programme and Operational Questions (CCPOQ) of the Administrative Committee on Coordination (ACC) and JCGP. The Secretary-General has reported progress on this issue to the Economic and Social Council and the General Assembly in conjunction with annual reports on the operational activities for development within the United Nations system. Moreover, as noted above, the Assembly has considered this subject on various occasions and has provided guidelines to the United Nations system. A common element in the decisions of the General Assembly is to ensure that action in this area would be carried out at no additional cost to host Governments or United Nations organizations. a/ As a result, JCGP has focused over the past few years on the establishment of common premises in countries where the cost of premises was considered to be high, and where new premises would result in lower monthly charges and would facilitate the consolidation of administrative infrastructures.

4. ACC has taken a consistent policy to support, whenever possible, common premises to be shared among United Nations system agencies and programmes. Some

agencies (the Food and Agriculture Organization of the United Nations (FAO) and the World Health Organization (WHO)) therefore, take exception to the statement contained in paragraph 15 of the JIU report, which is, in their opinion, misleading and factually incorrect. The list of cases of "shared" premises and conversely of "separate" premises, reported in the annex to the JIU report, does not permit a judgement that FAO's presumed "stand" on the issue is any more or less "principled" than that of other agencies and United Nations programmes.

5. ACC agrees that in many cases there should be potential financial benefits from the sharing of common services and common premises but cautions against undue reliance on the cost/benefit analyses shown in tables 4 and 5 of the report. These tables containing data on comparative costs of renting compared with construction, which do not take into account the depreciation of capital assets and appear to be based on assumptions that do not reflect the current financial environment, in particular with regard to projected inflation rates, construction costs, costs of capital, etc. Moreover, the tables do not take into account the provision of rent-free premises or cash contributions to cover rental costs available to organizations at many locations.

6. Concern must also be expressed about entering into long-term financial commitments at a time when the financial situation of many organizations is precarious and there is considerable uncertainty as to the levels of income and of programme activities in the future. More information is needed, therefore, as to the experience so far with arranging financial participation by the private sector, the legal modalities used for such participation and the legislative basis in each participating organization enabling it to enter into long-term commitments that might be viewed as long-term borrowing. The common premises programme should proceed on the basis of rigorous financial analysis on a case-by-case basis, taking into account the experience in recent years of the participants in the JCGP common premises programme. Future construction programmes should be undertaken based on written agreements between the participating organizations. Such agreements should contain clear provisions as to the apportionment amongst the participants of construction cost variance and should provide for the cases of individual organizations needing more or less space over time as programme activities change.

7. Paragraph 76 of the JIU report claims that different financial rules and procedures amongst the organizations have been found to be a major obstacle to the central provision of support services. ACC considers that there is much more convergence than divergence and that different rules and procedures have not prevented active collaboration by organizations in a number of duty stations.

8. Some ACC members have stressed that the report has been overly influenced by the particular experience of the United Nations programmes and agencies forming JCGP and it, therefore, does not take into account the office requirements for differing roles of the field offices of the organizations and programmes represented by the JCGP members and those of the specialized agencies, which in most instances need to serve both the "operational" and the "normative" sides of their total activities.

9. While WHO fully supports the concept of common premises at the field level, it has pointed out that its technical cooperation and support functions at the country level frequently require the WHO representative to be located in or near the Ministry of Health. Consequently, WHO continues to feel that each situation should be examined in its local context so as to ensure that the interests of both the host Government and the agency are adequately met when deciding upon the location of the local representation.

10. Another problem highlighted by organizations of the system is that, in several places, the report seems to equate the pursuit of decentralization policies or the harmonization of administrative procedures to the extent desirable or feasible, with the question of common premises.

11. ACC members note that the report covers both "common premises and services", and with regard to the latter introduces a useful distinction between programme-oriented services and staff services. In fact, it could have usefully expanded its analysis of practical formulas in respect of the latter.

12. In the light of the above general comments, ACC reaffirms the basic policy position as reflected in paragraph 14 of the JIU report, and which has previously been communicated to Member States by the Secretary-General as part of the reports mentioned earlier.

III. COMMENTS AND RECOMMENDATIONS

Recommendation 1 - Legislative authority for the specialized agencies

> "The relevant provisions of General Assembly resolutions relating to common premises and services in the field should be further submitted by the specialized agencies to their respective governing bodies, which should provide more precise legislative authority to their secretariats on the subject of this report in fulfilment of their treaty obligations under the relationship agreements they have concluded and ratified with the United Nations."

13. ACC members stressed that the relevant General Assembly resolutions were regularly drawn to the attention of their governing bodies.

14. ACC considers that it has sufficient legislative authority, within the provisions of the relationship agreement with the United Nations referred to in the report, to participate, in so far as practicable, in any programme for common premises or services in the United Nations system. While there may be problems of a practical nature, there would seem to be no potential legal obstacles to such participation, unless they were of a constitutional nature, linked for example, to tripartite structure of the International Labour Organization (ILO), which would, in any case, be beyond the authority of the legislative bodies to modify.

Recommendation 2 - Standard representation agreement

"In his capacity as Chairman of ACC, the United Nations Secretary-General should initiate consultations with appropriate parties with a view to achieving, to the extent possible, a new standard representation agreement for all United Nations system field representations. The agreement should inter alia:

"(a) Translate into concrete operational terms at the country level the relevant articles of the relationship agreements between the United Nations and the specialized agencies pertaining to maximum achievement of common facilities and services, and the avoidance of competition for and duplication of resources amongst the parties;

"(b) Reflect more comprehensively General Assembly resolutions on field common premises and services as well as other policy directives relating to operational activities for development, with emphasis on maximum integration of these activities and the coordinating authority and role of the Resident Coordinator;

"(c) Contain an explicit clause enabling United Nations system organization to provide, when and if necessary, essential services to their field staff without restriction or prohibition;

"(d) Take into account the need to reduce the financial costs of United Nations system field representations to host Governments of low income and least developed countries."

15. Some ACC members stressed that they would be interested in participating in the preparation of a standard representation agreement in so far as it related to standard provisions for a representation agreement with host Governments in the field. Such an agreement should reduce the time spent by Governments and organizations on negotiation and should lead to agreements that were more adapted to the particular situations and needs in the countries concerned and to the agency's specific requirements.

16. Meanwhile, the view was expressed that the adoption of a new standard representation agreement by Member States might prove a very difficult goal to realize, as it would require renegotiating or cancelling agreements reached with various organizations and programmes of the United Nations system. In this connection, it should be reiterated that the field structures of the specialized agencies are not exclusively to support "operational" activities but also to support country participation in their "normative" activities and the provision of technical advisory services to host governments.

Recommendation 3 - Administrative Committee on Coordination

"In view of the significant financial and other benefits to be derived by United Nations system organizations from the development of a world-wide programme of common premises and services, as suggested in this report, the executive heads of ACC should, among other measures:

"(a) Set up an ad hoc task force, assisted by JCGP/CPSP, to work out and refine the legal, financing and other practical modalities for implementing such a programme under a medium or long-term strategy aimed at significant reduction of the overhead expenditures of their field programmes and projects, and improving social services for their staff at hardship duty stations. The task force should report to the executive session of ACC by the autumn of 1995.

"(b) Consider the feasibility of transforming JCGP/CPSP into an ACC sub-committee or Unit charged with responsibility for designing, developing and implementing the programme of common premises and services described in this report. The terms of reference, staffing, financing and management of the Unit should be elaborated by the ad hoc task force recommended under (a) above.

"(c) Provide, in the context of recommendations 1 and 2, explicit instructions to their field representatives to participate fully in discussions and arrangements concerning common premises and services at the country level."

17. ACC continues to take the position that the measures to be taken by ACC should be built on practical discussions amongst all interested agencies in the appropriate forums.

18. ACC agrees that these discussions should include agencies and programmes beyond those represented in JCGP. With regard to the recommendations to set up an ad hoc task force and transform JCGP/CPSP into an ACC subcommittee or unit, ACC is of the view that its existing subsidiary machinery, in particular CCPOQ, which has already been addressing the pertinent issues, should continue to address them in consultation with other bodies as required, such as the Consultative Committee on Administrative Questions. Therefore, the establishment of a new mechanism should be avoided. Moreover, attention is again drawn to the basic difference between the JCGP members and the specialized agencies, which has considerable bearing on their field representation requirements.

19. ACC members shared the position expressed by the Secretary-General in his report on the triennial comprehensive policy review of operational activities for development of the United Nations system, cited in paragraph 1 above.

Notes

a/ The General Assembly in paragraph 42 of resolution 47/199, recognized the cost factor and indicated that common premises and the consolidation of administrative infrastructures should be achieved without increasing the costs for the United Nations system or for developing countries.